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Ad Hoc Working Group on Interrelationship
between Investment and Technology Transfer
First session
Geneva, 25 January 1993
Agenda item 3

WORK PROGRAMME OF THE AD HOC WORKING GROUP [1]

1. Pursuant to "A New Partnership for Development: the Cartagena Commitment", adopted at the eighth session of the Conference, the Ad Hoc Working Group agreed, on the basis of Board decision 398 (XXXVIII) which sets out in annex C the terms of reference of the Ad Hoc Working Group on Interrelationship between Investment and Technology Transfer, on the following work programme:

I. OBJECTIVES OF THE EXERCISE

2. In accordance with paragraph 6 of the terms of reference, the output of the work by the Ad Hoc Working Group is envisaged as a consensus-building and action-oriented process and as a major report on investment and technology and on how related factors influence technological capability-building and international competitiveness in the process of economic development. By examining the identified issues and summarizing and analysing relevant empirical evidence, the report should address the concerns of developing countries, particularly the least developed countries, and countries undergoing the process of transition to market economy. The report should reflect, inter alia, (i) the results of discussions of meetings within the Ad Hoc Working Group; and (ii) country case studies leading to identification of policies which enhance and improve international competitiveness of countries. The Ad Hoc Working Group should also identify for consideration areas in which cooperation should be strengthened.

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[1] As adopted by the Ad Hoc Working Group at its 4th (closing) meeting, on 29 January 1993.

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II. SPECIFIC ISSUES

3. The following three issues constitute the components of the unifying theme of the interrelationship between investment and technology transfer. The elements listed under each issue will help to characterize the nature of deliberations and discussions during meetings designated in the work programme of the Ad Hoc Working Group. In addition they are intended to guide the collection and review of existing studies and the execution and analysis of country case studies.

4. The Ad Hoc Working Group will examine and discuss:

A. Investment flows, transfer of technology and competitiveness:

(a) Various commercial channels for technology transfer, including modes of investment-related technology transfer as well as the framework of such transfer, including the protection of intellectual property rights;

(b) Transfer of technology by and to small- and medium-sized enterprises as well as larger multinational corporations;

(c) Actions that countries may take to increase their capacity for the creation, adaptation and upgrading of technology in order, inter alia, to promote investment and technology flows;

(d) Impacts of new and emerging technologies on the configurations of investment, technology flows and competitiveness;

(e) Policies and mechanisms for facilitating technology transfer and cooperation between and among firms, research institutes and universities involving all countries, particularly the least developed countries;

(f) Aspects of technology transfer and development in countries undertaking structural adjustment programmes.

B. Technological capability-building in developing countries, particularly the least developed countries, and in countries undergoing the process of transition to market economy:

(a) Process of technological capability-building in the spectrum ranging from evaluation to acquisition and development of technology;

(b) Innovative mechanisms for financial resource mobilization for facilitating the transfer of technologies;

(c) The transfer and development of industrial and agricultural technologies of critical importance to developing countries;

(d) Human resource development and the role of research and development (R&D) in technological capability-building, the utilization of R&D results by the productive sector and the opportunity for international cooperative arrangements;

C. Transfer and development of environmentally sound technologies:

(a) Issues involved in the generation, transfer and diffusion of environmentally sound technologies which have an impact on competitiveness and development;

(b) Policies and measures for the promotion, development, dissemination and financing of environmentally sound technologies, particularly in developing countries, taking into account the need to provide incentives to innovators that promote research in and development of these technologies.

III. ORGANIZATION OF WORK

5. Coordination for the implementation of the Work Programme:

- The members of the Bureau of the Ad Hoc Working Group on Interrelationship between Investment and Technology Transfer or their representatives in Geneva shall coordinate the implementation of activities foreseen in the present work programme.

6. A workshop will be held on the transfer and development of environmentally sound technologies.

7. Inputs by the UNCTAD secretariat:

(a) Review and analysis of the existing literature and other materials on technology and investment-related questions, including on technology indicators;

(b) Review of existing work of the United Nations system and selected non-governmental organizations dealing with investment-related technology issues;

(c) Legal materials - update and expand the 1982 UNCTAD study entitled, "Compilation of legal materials dealing with the transfer and development of technology." (TD/B/C.6/81 of 4 August 1982).

8. Method of work:

(a) Exchange of national experiences based on country case studies. Common methodologies and approaches shall be encouraged in order to facilitate comparability of results (see annex). Country case studies will be solicited on a voluntary basis keeping in mind a geographical balance and the diversity of situations and experiences. The Chairman, assisted by the members of the Bureau of the Ad Hoc Working Group and in consultation with the Secretary-General of UNCTAD, will make the solicitations for case studies, formulate a timetable and develop detailed outlines for the studies;

(b) Discussions by the Ad Hoc Working Group;

(c) Review and analysis of existing relevant literature and of work carried out in other institutions.

9. Schedule of work:

(a)	Workshop on the transfer and development of environmentally sound technologies	Summer 1993
(b)	Second session of the Ad Hoc Working Group, including presentation and discussion of preliminary or final country case studies	End of 1993
(c)	Finalization of the report of the Ad Hoc Working Group (third session), including presentation and discussion of final country case studies	Spring 1994

Annex

Country case studies must be differentiated in order to take into account the countries' diverse levels of technological sophistication and other special circumstances. However, in order to facilitate meaningful comparison of completed case studies, the following areas might be covered:

Government policies: Policies which increase investment, commercial technology transfer and diffusion, including tax structure, protection of intellectual property rights, incentives, and legal structure (i.e., dispute settlement mechanisms), as well as foster the development of basic infrastructure.

Human resources policies: Policies which improve a country's absorption capacity and development of endogenous capability, particularly training and education. Examples of ongoing cooperative efforts between the host government and multilateral/international organizations should receive special attention.

Enterprise sectors: Specific examples of participation by firms in the growth of investment (both foreign and domestic), particularly small- and medium-sized firms, and the role of technology in this growth.

In reviewing the above issues, emphasis should be placed on examining different types of technology and sources of technology transfer.